



SMART
WORKS

Annual Report

2017/2018



CONTENTS

Introduction from the Founder and Chair



It gives me great pleasure to present the Smart Works Annual Report of the Board of Trustees for the year ending 31 March 2018.

Smart Works was created to help women who are unemployed succeed at their job interview and change the trajectory of their lives. We knew the impact of a dressing and interview coaching service in London and wanted to roll out this service across the UK.

During the five years that Smart Works has been operating, we have opened in Edinburgh, Manchester, Birmingham and Reading, as well as opening a second centre in London. The impact of our centres was recognised at the Charity Awards in June 2017. It has been wonderful to see our vision continue to grow and flourish – and in spring 2018, we have seen Smart Works Newcastle open their doors to clients.

It is vital that the quality of our service, delivered by volunteers, is never compromised as we grow our Smart Works family. Each client has a two hour appointment comprising of dressing and interview training. They receive a fabulous outfit, a renewed sense of self and above all, the confidence to get the job. Across all our centres, more than one in two women have gone on to succeed at their interview, demonstrating the excellence and quality of our service nationwide.

We are able to deliver this service with inspirational volunteers who give up their time to dress and coach our clients. Their advice, compassion and skill will always be our greatest asset. Smart Works is underpinned by wide-ranging partnerships that allow our service to thrive by donating their clothes and time. We are proud to have the support of some prestigious names in the fashion and beauty sector. They give us the credibility and stock to deliver a premium service. At the same time, our trusted partnerships with the wider community, from the prison service to the Prince's Trust, are fundamental in referring the women who need our support. Our grant funders provide us with the cornerstone funding to enable our growth.

Finally, I would like to say thank you to the Smart Works Charity Board, who have set a clear strategy for growth and give their advice and time with wisdom. I am also grateful for the time, dedication and inspiration given by Trustees of our Smart Works centres outside of London. New trustees work hard to set up a Smart Works centre. Each one brings their own perspective, and one of the joys of growth has been to witness more inspiring people join in the Smart Works journey. We remain passionate about the service we deliver, because we know how well it works. I hope you enjoy reading this report, and that it conjures up a little of the Smart Works magic that we are lucky enough to see every day.

Lady Juliet Hughes-Hallett
Founder and Chair

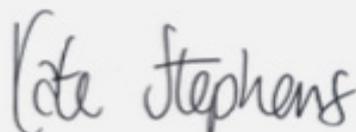
Introduction from the Chief Executive

In June 2017, Smart Works was thrilled to be named the Social Care, Advice and Support Charity of the Year, as voted by our peers at the Charity Awards – the most prestigious in our sector, serving to recognise and reward organisations doing exceptional work in all areas of charity activity.

This was a wonderful moment for everyone who has been involved in the growth of Smart Works since 2013. We are passionate about the service we deliver and over the last 12 months, have taken our service to disadvantaged women in London, Edinburgh, Manchester, Birmingham and Reading, and have since been able to open to clients in Newcastle in Spring 2018. And we are proud to be able to demonstrate the impact that we have. In the year to 31 March 2018, Smart Works supported more women than ever before on their journey back to work. Across the UK, we will have helped almost 3000 women and crucially, the number of women who succeeded at their job interview after a visit to Smart Works, and we were able to contact, was 60%. Our strategy during this time of rapid growth has been to stay focused on our core dressing and interview preparation service. Through the delivery of this service, we support some of the most vulnerable women in society to give them the best chance of succeeding at their job interview and moving on with their lives.

Our business model is deceptively simple and highly effective. All our client work is carried out by a team of highly skilled and dedicated volunteers. In the last twelve months, 315 volunteers delivered our service, an incredible group of people whose time, energy, dedication and skills make our service, and our impact, possible. Women in need are referred from partner organisations, including prisons, the care service, refuges and other charities supporting women back into employment, as well as from job centres and work programme providers. All our clothes are donated by professional women and retailers, and we are proud to champion the cause of fashion as a force for good. We witness every day the transformative clothes and confidence to unlock a woman's best version of herself and are proud to build partnerships that echo this message.

Collaboration is at the heart of our model. We take the learnings from our London service, and our small but incredibly effective and dynamic staff team at HQ share these with our newer centres. We aim to give each centre the support they need at the moment they need it, providing the shared learning, best practice and central support for the new centres at no cost to them. It is wonderful to see this work. In the last 12 months, each new centre has replicated the London success rate of over one in two going on to get the job within a month of their visit – and in fact, in nearly every case exceeded it.



Kate Stephens

Chief Executive

Annual Report of the Board of Trustees for the Year Ending 31 March 2018

The Trustees, who are also the directors of the charity for the purposes of the Companies Act, present their annual report together with the accounts of Smart Works for the year ended 31 March 2018.

The accounts have been prepared in accordance with the accounting practice set out on page 25 and comply with the charity's governing document, applicable laws and the requirements of Statement of recommended Practice on 'Accounting and Reporting by Charities' issued in 2015.

OBJECTIVES AND ACTIVITIES

Smart Works is a UK charity that provides high quality interview clothes, styling advice and interview training to women in need. We give women the confidence, the self-belief and the practical tools they require to succeed at interview and start a new chapter of their life.

The charity's objects are the relief of financial hardship and the relief of unemployment for the public benefit through the promotion of economic independence among women. To deliver this, Smart Works was created in September 2013 with a clear mission and vision for the future:

OUR MISSION is to help unemployed women back into the workplace by giving them the clothing, coaching and the confidence they need to succeed at interview.

OUR VISION is to do this by building London as our centre of excellence and sharing this expertise by taking Smart Works to other cities across the UK.

Our strategic focus is to deliver our core dressing and interview coaching service to the best possible standards, and to make it available to as many women as we can. During her visit to any Smart Works across the UK, each woman receives a complete outfit of high quality clothes and accessories (hers to keep) and dedicated one-to-one interview training. This short intervention has a significant impact as our clients start believing in their own ability to succeed.

Once they get the job, we offer clients a Second Dressing for more clothing, so that they have a working wardrobe to see them through to their first pay cheque. Once they re-enter the workplace, they can join the Smart Works Network, meeting every month to further their professional and personal development, helping and motivating each other to continue to succeed.

ACHIEVEMENTS AND PERFORMANCE

HIGHLIGHTS OF OUR YEAR

The last twelve months have been our busiest and most successful year as a national organisation operating across six locations in the UK. We are particularly proud that in every single Smart Works location, over one in two of the women we help go on to succeed at their job interview. In total, across the UK we have helped almost 3,000 women and delivered almost 4,000 appointments, all made possible by the time and dedication of over 300 volunteers.

We were thrilled to have the impact of our service recognised in June 2017 when we were voted Social Action Charity of the Year at the Charity Awards.



The Board remains committed to a strong and sustainable strategy for growth, taking our service to new areas so that more women can access the Smart Works service. We aimed to open our seventh centre in the last 12 months, and following detailed research, identified the North East as the best location for our services. Smart Works Newcastle received its charity number in January 2018, and has premises, volunteers and staff, with a planned opening to clients in April 2018.

It has been a privilege to welcome the new Trustees, volunteers and staff of Smart Works Newcastle to the Smart Works family.

Underpinning our growth is the investment in the capital infrastructure and staff expertise to manage our growth. We have a clear operational picture of our activities and increasingly understand how to deploy HQ staff to support our newer centres effectively.

Collaboration remains at the heart of our model and every six months, we bring together all our Smart Works centres to discuss developments, share ideas and learn from each other's activities. These events are particularly important and help build a strong platform for future growth.

We have also built our brand to support our work. We were thrilled to have Samantha Cameron join us as an Ambassador, and launch our first Fashion Club event, under the theme of “Fashion for a Purpose.” We have also welcomed Tiffanie Darke as a new ambassador and Emma Barnett as a new patron and have been particularly grateful for the engagement and support of our existing patrons and ambassadors over the last 12 months.



OPERATIONAL ACHIEVEMENTS AND PERFORMANCE

In the year to 31 March 2018, Smart Works supported more women than ever before on their journey back to work. Across the UK, the reach of our service has continued to grow, and taken as a whole, we have helped 2,877 women and delivered a total of 3,957 appointments, in line with our expectations for the year. We have also engaged an unprecedented 315 volunteers to deliver our service. And crucially, across the UK, the number of women who succeed at their job interview after a visit to Smart Works, and we are able to contact, our key performance indicator, was 60%, against a target of over one in two (ie at least 50%).

In our two London centres, we dressed and trained 1,735 women for their job interview, and delivered a total of 2,434 dressing appointments. The number of women who succeed at their job interview after a visit to Smart Works, and we are able to contact, has continued to stay at over one in two, with an end of year success rate of 56%. These successes often came after many years of unemployment, countless job applications and many unsuccessful interviews.

In London, we maintained a strong volunteer team of 146 to deliver all our dressing and interview training to our clients. In addition, a number of companies provided volunteer support to Smart Works through their internal volunteering programmes. The quality of volunteers we are able to attract remains high and we are grateful to all the time, skill and dedication they have given to our clients throughout the course of the year. We ran a series of training and social events for our volunteers, including an annual conference, kindly hosted by Burberry, and ran a major volunteer survey to inform our future strategy.

The quality and quantity of our clothing donations remains excellent. Nearly 140 organisations ran Smart Works clothing collections amongst their employees during 2017 and 2018, which gave us a regular supply of high quality suits, separates, dresses, coats, jackets, shoes and accessories. Many of these collections were done across multiple sites in the UK, and have allowed us to build a strong stock base not just in London but also in Edinburgh, Manchester, Newcastle, Reading and Birmingham.

We also received clothing donations directly from retailers which has greatly added to the stock available in our dressing room. Particularly notable have been Hobbs, Evans, Vestiaire Collective and Whistles, as well as other leading retailers who donate clothes and accessories. We were particularly grateful for the continued support of Evans which helped us meet the needs of our plus-size clients, helping us to achieve our goal to maintain sufficient stock in all sizes.

We have also continued to utilise our bespoke client database to track our progress so that we have real time information on the number of people we have helped, the number of appointments delivered and can measure the quality and success of our operations. The trends in our data helped us to engage more referral partners and we now work with over 400 referral partners across the UK. We have dedicated staff time to engaging more



organisations that support vulnerable, harder to reach women including ex-offenders, survivors of domestic violence, the homeless, care-leavers and other disadvantaged young people. In September, we celebrated our fourth birthday at our West London centre, and welcomed over 100 of our referral partners to hear a speech from the then Chair of the Charity Commission, William Shawcross.

We also continue to place great emphasis on demonstrating the impact of our service. We have an acclaimed Theory of Change and have recently completed an external process evaluation project that verified the quality our service. This adds to our previous external impact evaluation that validated our work at a Level 2 in standards of evidence (as set out by Nesta, the Government's innovation charity). This means that we capture data that shows positive change and can prove that correlation.

PARTNERSHIPS AND EVENTS

The Smart Works brand sits at the heart of our activities and reflects our values and approach to all our partnerships and events.

We were particularly proud that Bobbi Brown again made Smart Works their charity partner on their Pretty Powerful campaign, and from 1 March 2018, have been donating 100% of proceeds from the sale of a make-up product on-counter. The campaign was launched on International Women's Day at a major event that celebrated our partnership and we remain incredibly grateful for their support.



As well as donating beautiful clothing for our clients, in February 2018, we were thrilled to receive a significant grant from Burberry, in celebration of the centenary of votes for women. We are also grateful for the funds, advice, profile and events from our corporate supporters including Barclays, Hobbs and Bircham Dyson Bell.

We also continue to run events to raise our own funds. The Smart Works Designer Sale, put together from clothing donations that are not interview-appropriate, raised almost £60,000 in May 2017 and we ran a series of smaller pop-up sales throughout the year. We also ran our sponsored cycle event, Spin for Smart Works, for a second year, and had over 60 teams competing from across the UK, bringing in over £40,000.



Designer Sale



Spin for Smart Works

In 2017, we launched the Smart Works Fashion Club, an individual membership club for those interested in fashion, and supporting Smart Works. Samantha Cameron spoke at our launch event followed by Betty Jackson and Jennifer Saunders in Autumn 2017. This has proved a great success and a further calendar of events is planned for later in 2018.

We were pleased to announce two new ambassadors (Samantha Cameron and Tiffanie Darke) to support us with our fashion and retail audiences. Emma Barnett also joined Smart Works as a patron, alongside Jennifer Saunders, Betty Jackson and Jane Shepherdson.

Our shared website provides a home to all the Smart Works centres across the UK and gives each a space to tell their story. Page views to our website have also increased by 50% and website visitors increased by 63%. Our social media has also played a key role in promoting the Smart Works brand over the last year. We have worked hard to produce high quality content to attract potential partners and tell our story. At HQ, our Instagram following has seen a 57% increase, our Twitter following has seen a 34% increase, our Facebook likes have seen a 25% increase.

Finally, we are grateful to the support and advice of all our grant funders. We were particularly thrilled to be featured in the book celebrating the 60th anniversary of the Garfield Weston Foundation. The funding, advice and belief of the Trustees of the Garfield Weston Foundation has made all our work possible.

THE SMART WORKS SERVICE IN ACTION

We are passionate about our service and witness daily the transformational impact on the women we serve. We play a vital role in re-connecting women to their capability, self-confidence and self-belief. We know that this renewed sense of self has a positive impact on our clients, and also on our client's children, extended families, and local communities. Once a woman re-discovers her self-worth, she almost always looks for opportunities to use it to make a difference and a contribution to her wider community and networks. This is best brought to life in the words of our clients.

Kate visited us in February 2018 after being unemployed for over 6 months and having applied for over one hundred jobs. Having only attended a few interviews, Kate lacked confidence, lacked support and lacked professional clothing.

"Before coming to Smart Works I was feeling frustrated. I didn't know what I was doing wrong and why I wasn't getting the jobs I was going for."

Kate was referred to Smart Works by Islington NHS Employment Support.

"I was a little apprehensive before I came to Smart Works as I didn't know what to expect. The idea of having people choose my clothes for me made me feel uneasy. As soon as I met the two stylists those nerves went away and I knew I was in safe hands. I love my new outfit and I left not only feeling confident about my clothes but also about what to say in the interview. The coach was great, I felt truly supported by the team"

After coming to Smart Works, Kate secured a position as an Office Manager at a property management company.

"The interview coaching was great. It helped prepare me and to think about my answers. It helped restore my confidence and remind me that I can do it. I love how positive everyone is from the moment you arrive to the moment you leave. The dress fitting experience is great too. I'm thankful to everyone I've interacted with."



FINANCIAL REVIEW

We had significant success with our fundraising efforts in the year achieving a total income of £835k (£579k in 2017). This included the equivalent of £97k in the form of donations of dressing stock (£112k in 2017). Excluding donated stock, income was £738k (467k in 2017). Of this, £119k was distributed to our licensees (£59k in 2017) leaving £619k for Smart Works headquarters activities (£408k in 2017).

Consistent with our strategy to diversify our sources of income, we have started to see an increase in the level of funding from corporate giving.

Expenditure for the year was up 16% to £777k (£672k in 2017) reflecting increased activity levels. This resulted in an increase in total funds of £58k (£93k decrease in 2017) to ensure that reserves are robust and in line with our policy. The principal costs to the charity remain property and staff costs.

Smart Works registered for VAT on 1 January 2018, because the charity's taxable income exceeded the threshold. As part of charity's activities is classified as exempt or non-business, Smart Works is unable to reclaim all the VAT that it suffers on its operating costs.

Everything we did in 2017–18 was only possible because of the generosity and commitment of our supporters. Income was received from a wide range of sources as set out in the chart below. Some of our funders prefer to remain anonymous but we are extremely grateful to all our supporters including the Garfield Weston Foundation, Nesta (the Government's innovation charity), the Rank Foundation, Burberry, Bobbi Brown and Bircham Dyson Bell. The Charity has multi-year grants from John Ellerman, Esmee Fairbairn, The Segleman Trust, the Swire Charitable Trust and the Clore Duffield Foundation.

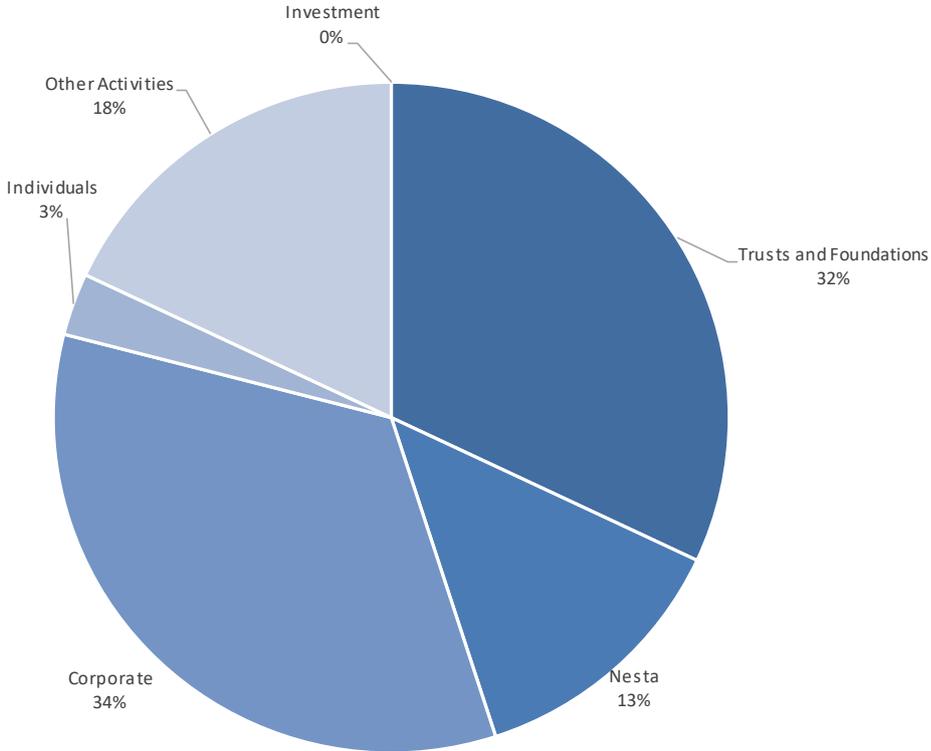
Investment policy

The trustees having regard to the liquidity requirements of operating the Charity and to the reserves policy have operated a policy of keeping available funds in interest-bearing deposit accounts. These are currently held with CAF Bank, Scottish Widows, Virgin, United Trust and HSBC.

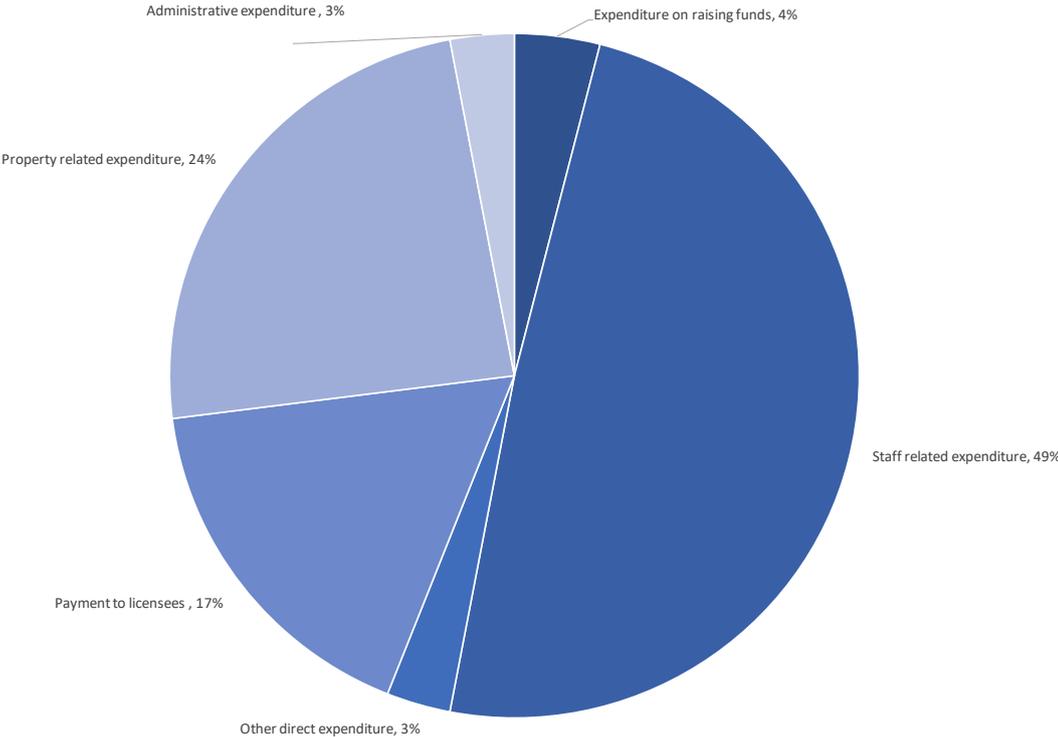
Reserves policy

The trustees have considered the requirement for free reserves, i.e. those unrestricted funds not designated for specific purpose or otherwise committed. It has been determined that, given the nature of the charity's work, the level of free reserves should be equivalent to nine to twelve months of annual expenditure. This allows for future growth and provides sufficient flexibility to cover any temporary shortfall in incoming resources and will allow the charity to cope and respond immediately to a reasonable range of unforeseen adverse circumstances prior to specific remedial plans being implemented. General unrestricted funds of £565,721 represents approximately 9 months of forecast annual expenditure and are therefore within the charity's policy.

Where does our money come from?



Where does our money go?



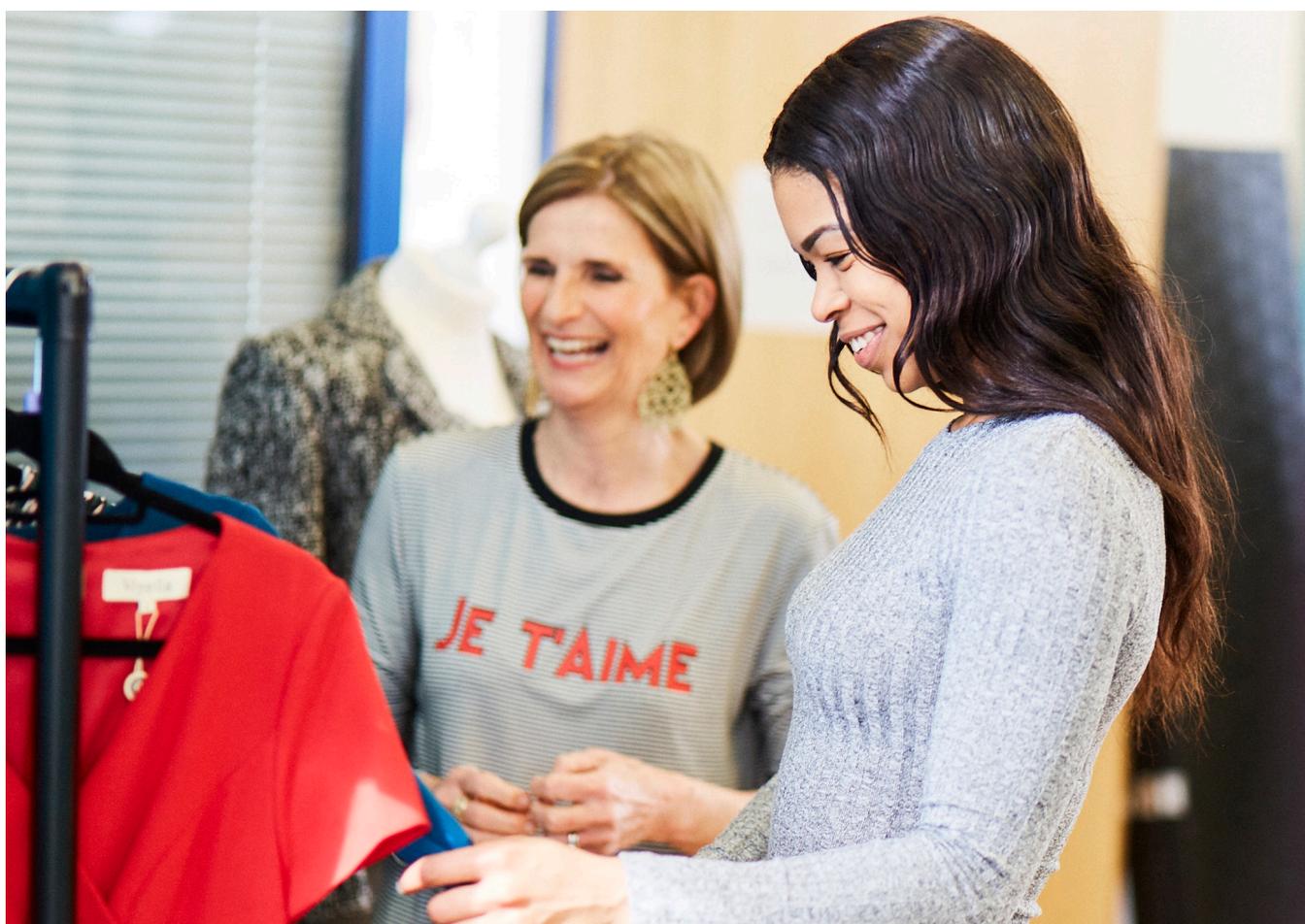
PLANS FOR THE FUTURE

The next coming years continue to be a formative period in our growth. Over this time, we will continue our aim to take Smart Works to new areas where there are more women who would benefit from the service, whilst expanding in our current centres to meet the growing demand.

It is our aim that the service in London will continue to meet the existing demand for our help. At the same time we will aim to deepen our reach in existing centres by increasing the number of clients in our major regional centres by 15%.

We have also identified areas of deprivation in Leeds, Cardiff, Belfast and Bristol and if possible, we would like to initiate the opening of a new centre every year.

In delivering these plans, we will not compromise on the quality and impact of our service and we will work to defined measures of success that will, ultimately, be our first priority. Our key performance indicator will continue to be to ensure that over one in two of the women we are able to contact will go on to succeed at their job interview. We will aim to deliver this success rate in London, and to support our licensees to deliver it in each Smart Works centre across the UK.



STRUCTURE, GOVERNANCE, MANAGEMENT

Governance

Smart Works and its trustees are bound by the Memorandum and Articles of Association. The names of the trustees who served during the year are set out in the reference and administrative information on page 38.

Recruitment and appointment of new trustees

Regular reviews are undertaken to assess the skills of the current trustees and identify any areas for strengthening. New trustees are appointed by the existing trustees and their appointment is confirmed by the members.

Induction and training of new trustees

New trustees are provided with an induction to familiarise themselves with the charity and the not for profit sector. They are briefed on their responsibilities by the existing trustees. New trustees are also referred to the Charity Commission's guide 'The Essential Trustee'.

Organisational structure and decision making

The trustees review and approve all policies, and follow a strategy set at the start of 2016. The trustees meet quarterly throughout the year and have an annual session to update and revise the strategy.

Management

The Chief Executive, Kate Stephens, runs the charity. As of 31 March 2018, the rest of the team comprised of a Director of Operations, a UK Head of Regional Development, UK Head of Communications and UK Head of Wardrobe, supported by four junior managers to deliver the core service across our North and West London sites, and support the Smart Works centres across the UK.

Pay policy

All trustees give their time freely and no trustee received remuneration in the year. As a small but fast growing and dynamic charity, Smart Works believes that its staff are key to delivering its objectives. To this end it believes that its pay policies should be fair, transparent, competitive and sustainable. Smart Works believes that it is important to reward its staff competitively and at the same time ensure that it remains prudent and can guarantee that salary costs are sustainable both at the current time and in the future.

The charity aspires to pay its staff around the median market pay level for comparable jobs in similar sized charities in London. Smart Works is committed to paying the "London Living Wage" for its paid staff. Smart Works pays staff related to their particular skills, experience, qualifications, performance and contribution to the charity, which is the typical approach to setting pay for small to medium sized charities. Smart Works normally reviews salary levels annually, coming into effect on 1 January the following year.

Risk management

The Board of Trustees continues to review and assess risks faced by the charity every six months. The Chief Executive fully updates the Board of Trustees at these meetings and highlights current risks facing the charity. This covers governance, financial, operational, physical, external and reputational, legal and compliance risks. The Chief Executive ensures that robust policies, procedures, systems and training are in place to deal with risk and these are designed to mitigate or manage any potential impact on the charity should those risks materialise.

Policies

Policies for all relevant areas are maintained, including Vulnerable Adults, Data Protection, Health and Safety, Bribery, Conflict of Interest, Complaints Handling and Privacy Policy for Clients, Donors and Diversity. A staff handbook is made available to all staff and includes a summary of all these policies, and this is also shared with new Trustees of Smart Works Charity and of regional Smart Works centres.

Volunteers

deliver the dressing and interview preparation for our clients. The number of active volunteers in London during the year was 146; we have a very high retention rate. Arguably, one of the greatest assets Smart Works has is the enormous role played by its dedicated volunteers.

Employment of disabled people

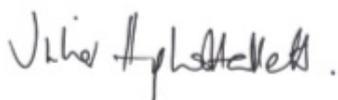
Smart Works has a policy of encouraging diversity and non-discrimination against disabled people.

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefits when reviewing our aims and objectives and in planning our future activities.

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies' subject to the small company's regime.

This report was approved by the Board on 20 September 2018 and signed on its behalf by:



Juliet Hughes-Hallett
Chair



Joanna Hunter
Honorary Treasurer

Smart Works Trustees' Responsibility Statement

The trustees (who are also directors of Smart Works for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent examiner's report to the Trustees of Smart Works Charity

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2018 which are set out on pages 22 to 34.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Helena Wilkinson FCA
For and on behalf of
Price Bailey LLP
Chartered Accountants
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date: 2 October 2018



Financial Statements

For the year ended 31 March 2018

Statements of Financial Activities (incorporating income and expenditure accounts) for the Year Ended 31 March 2018

	Notes	General Fund £	Designated Funds £	Restricted Funds £	2018 Total £	2017 Total £
Income from:						
Donations	3	458,788	-	242,360	701,148	397,607
Other trading activities	4	114,643	-	17,065	131,708	179,163
Investments		2,005	-	-	2,005	2,428
Total Income		575,436	-	259,425	834,861	579,198
Expenditure on:						
Raising funds	6	(43,253)	-	-	(43,253)	(30,077)
Charitable activities	5	(470,357)	(1,797)	(261,675)	(733,829)	(641,883)
Total expenditure		(513,610)	(1,797)	(261,675)	(777,082)	(671,960)
Net movement in funds		61,826	(1,797)	(2,250)	57,779	(92,762)
Reconciliation of funds						
Total funds brought forward		503,895	3,505	73,320	580,720	673,482
Total funds carried forward		565,721	1,708	71,070	638,499	580,720

There are no recognised gains and losses other than those in the statement of financial activities. Therefore no statement of total recognised gains and losses has been prepared. All the above amounts relate to continuing activities.

The notes on pages 25 to 34 form part of these accounts.

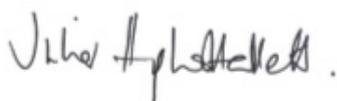
Balance Sheet for the Year Ended 31 March 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	10	1,708	3,505
Current assets			
Stock	12	56,070	56,070
Debtors	13	151,787	77,176
Cash at bank and in hand		814,144	584,506
		1,022,001	717,752
Creditors	14	(385,210)	(140,537)
Net current assets		636,791	577,215
Total net assets		638,499	580,720
Funds			
Restricted funds	15	71,070	73,320
Unrestricted funds			
<i>Designated funds</i>	16	1,708	3,505
<i>General fund</i>		565,721	503,895
Total funds and reserves		638,499	580,720

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts. The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

The accounts were approved by the Board of Trustees on 20 September 2018 and signed on their behalf by:



Juliet Hughes-Hallett
Chair



Joanna Hunter
Honorary Treasurer

The notes on pages 25 to 34 form part of these accounts.

Statement of Cashflows for the Year Ended 31 March 2018

	2018 £	2017 £
Cash flows from operating activities:		
Surplus/(deficit) for the financial year	57,779	(92,762)
Adjustments for:		
Depreciation of tangible assets	1,797	2,119
Investment income	(2,005)	(2,428)
(Increase)/decrease in debtors	(74,611)	7,411
Increase in creditors	244,673	28,517
Net cash generated from operating activities	227,633	(57,143)
Cash flows from investing activities:		
Income from investments	2,005	2,428
Net cash from investing activities	2,005	2,428
Net increase/(decrease) in cash and cash equivalents	229,638	(54,715)
Cash and cash equivalents at the beginning of the year	584,506	639,221
Cash equivalents at the end of the year	814,144	584,506
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	814,144	584,506

Notes to the Accounts for the Year Ended 31 March 2018

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Smart Works Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Income

Income is included in the period in which the charity becomes entitled to the resources, the trustees have sufficient certainty that they will receive the resources and the monetary value can be measured with sufficient reliability.

Expenditure

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered. All expenditure is allocated to the particular activity where the cost relates directly to that activity. Indirect costs and overhead expenses are apportioned on a judgemental basis in proportion to floor space.

Tax reclaims on donations and gifts

Income from tax reclaims are included in the SOFA at the same time as the gift to which they relate.

Donated goods and services

Donated goods and services are recognised in the financial statements when the goods and services are received by the charity and their value can be measured with reasonable accuracy. The value placed on these resources is their value to the charity.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The cost of donated stock for distribution to beneficiaries is valued at fair value.

Investment Income

This is included in the accounts when receivable.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Creditors

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Tangible fixed assets

Assets are capitalised if they can be used for more than one year and cost at least £1,000. Tangible fixed assets are stated at cost less depreciation.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets, less their estimated residual value, over their estimated useful economic lives:

Computer equipment	30% on the straight line basis
Office fixtures and fittings	20% on the straight line basis

Fund Accounting

The General Fund is an unrestricted fund which is available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for specific purposes. The Designated Funds are unrestricted funds which have been set up by the Trustees to hold funds for specific purposes. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by the donors. The aim and use of each Restricted Fund is set out in the notes to the accounts.

Income and expenditure is allocated to the Funds on a direct or time apportioned basis as appropriate.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Pension costs

The charity operates and contributes to a defined contribution pension scheme for employees. These assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2. TAXATION

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

3. DONATIONS

CURRENT YEAR	General Funds £	Designated Funds £	Restricted Funds £	2018 Total Funds £
Grants and individual donations	204,136	-	145,000	349,136
Corporate donations	254,652	-	-	254,652
Dressing stock donations	-	-	97,360	97,360
	458,788	-	242,360	701,148
PRIOR YEAR	General Funds £	Designated Funds £	Restricted Funds £	2017 Total Funds £
Grants and individual donations	141,835	-	53,000	194,835
Corporate donations	86,632	-	4,000	90,632
Dressing stock donations	-	-	112,140	112,140
	228,467	-	169,140	397,607

4. OTHER TRADING ACTIVITIES

CURRENT YEAR	General Funds £	Designated Funds £	Restricted Funds £	2018 Total Funds £
Designer sales - fundraising event	72,068	-	-	72,068
Spin for Smart Works	26,264	-	14,782	41,046
Fashion Club	14,397	-	-	14,397
Other donations	1,914	-	2,283	4,197
	114,643	-	17,065	131,708
PRIOR YEAR	General Funds £	Designated Funds £	Restricted Funds £	2017 Total Funds £
Designer sales - fundraising event	68,284	-	-	68,284
Sunday Times Style	53,681	-	-	53,681
Spin for Smart Works	34,464	-	9,328	43,792
Fashion Show	13,243	-	-	13,243
Other donations	163	-	-	163
	169,835	-	9,328	179,163

5. CHARITABLE ACTIVITIES

CURRENT YEAR	General	Designated	Restricted	2018
	Funds	Funds	Funds	Total Funds
	£	£	£	£
Staff related expenditure	157,807	-	88,170	245,977
Premises related direct expenditure	113,022	-	-	113,022
Other direct expenditure	64,310	1,797	173,505	239,612
Support costs (note 7)	135,218	-	-	135,218
	470,357	1,797	261,675	733,829
PRIOR YEAR	General	Designated	Restricted	2017
	Funds	Funds	Funds	Total Funds
	£	£	£	£
Staff related expenditure	167,419	-	74,462	241,881
Premises related direct expenditure	85,486	-	-	85,486
Other direct expenditure	33,603	2,119	148,427	184,149
Administrative costs	-	-	10,040	10,040
Support costs (note 7)	120,327	-	-	120,327
	406,835	2,119	232,929	641,883

Included in other direct expenditure were payments to licensees totaling £119,151 (2017: 59,244)

These transactions are detailed more fully in note 21 Related Party Transactions.

6. ACTIVITIES FOR RAISING FUNDS

	2018	2017
	Total Funds	Total Funds
	£	£
Designer Sale costs	12,859	11,002
Events and other costs	12,081	16,232
Staff costs	18,313	-
Other	-	2,843
	43,253	30,077

All activities for raising funds in 2018 and 2017 were unrestricted

7. SUPPORT COSTS

	2018	2017
	Total Funds	Total Funds
	£	£
Staff related expenditure	67,632	71,752
Rent and rates	39,529	28,348
Other property related costs	8,909	8,289
Legal, professional and accountancy	11,682	6,923
Administrative expenditure	4,814	3,189
Governance costs	2,652	1,826
	135,218	120,327

8. NET INCOME AFTER CHARGING

	2018	2017
	£	£
Depreciation of owned fixed assets	1,797	2,119
Operating lease payments - land and buildings	128,907	92,014
Wages and salaries	289,579	272,754
Employers' National Insurance	26,159	24,822
Employers pension contributions	1,982	1,467
Independent Examiner's remuneration	2,652	1,826
Independent Examiner's fees for other services	4,859	2,156
Number of employees with emoluments in the following bands:		
£70,000 - £80,000	1	1
Average number of employees during the year	9	9

The key management personnel of the Charity comprise the trustees and management teams as listed on page 35.

The total amount of employee benefits (including employer pension and National Insurance contributions) received by the key management personnel for their services to the Charity was £82,112 (2017: £80,606)

9. TRUSTEE EXPENSES

No trustee received any remuneration or expenses from the charity in relation to the performance of their duties as trustees. Trustees expenses of £92 (2017: £NIL) were paid to one trustee (2017: £NIL) during the year for travel costs.

10. TANGIBLE FIXED ASSETS

	2018
	Total
Cost	£
Brought forward	14,771
Additions	-
Carried Forward	14,771
Depreciation	
Brought forward	11,266
Charge for the year	1,797
Carried forward	13,063
Net book value	
At 31 March 2018	1,708
At 31 March 2017	3,505

11. INVESTMENTS

The company is the sole member of the following subsidiaries:

Company	Shares held Class	Charity Number	Company Number
Smart Works Trading	Ordinary	-	09061869
Smart Works Greater Manchester	Company limited by guarantee	1163594	09425123
Smart Works Reading	Company limited by guarantee	1164723	09626510
Smart Works Birmingham	Company limited by guarantee	1168264	10098116
Smart Works Newcastle	Company limited by guarantee	1176547	11115960

Company	Capital and Reserves £	Profit (loss) for the year £
Smart Works Trading	2	-
Smart Works Greater Manchester	36,268	14,373
Smart Works Reading	38,303	(706)
Smart Works Birmingham	27,070	2,219

Smart Works Greater Manchester, Smart Works Reading, Smart Works Birmingham and Smart Works Newcastle have been granted licenses by Smart Works Charity to operate as charities with the same objectives and similar activities to Smart Works Charity. Smart Works Newcastle began operations in April 2018 and its first period of account is the year ended 31 March 2019. The accounts have not been consolidated as the group falls under the £1m income threshold to prepare group accounts.

Smart Works Edinburgh has also been granted a licence to operate. Smart Works Edinburgh is a Scottish Charitable Incorporate Organisation, Scottish charity number SC044520.

Smart Works Trading Ltd is dormant.

12. STOCK

	2018	2017
	£	£
Dressing stock	56,070	56,070

As detailed in note 1, the charity's donated stock for beneficiaries is valued at fair value. For both 2017 and 2018 our stock room was at capacity and we have therefore assessed that the value of this stock to be £56,070 for both years.

13. DEBTORS

	2018	2017
	£	£
Accrued income	109,134	53,469
Other debtors	42,653	23,707
	151,787	77,176

14. CREDITORS

	2018	2017
	£	£
Other creditors	311	295
Other taxation and social security	8,708	7,165
Accruals and deferred income	376,191	133,077
	385,210	140,537

Deferred income comprises restricted grants received in advance:

Balance brought forward	-	-
Amounts utilised in the year	-	-
Current year income deferred	154,452	-
Balance carried forward	154,452	-

15. RESTRICTED FUNDS

CURRENT YEAR	Balance				Balance
	1 April	Income	Expenditure	Transfer	31 March
	2017				2018
	£	£	£	£	£
Nesta	-	95,000	(95,000)	-	-
Esmée Fairbairn	-	30,000	(30,000)	-	-
Rank Foundation	17,250	20,000	(22,250)	-	15,000
Other	-	17,065	(17,065)	-	-
Dressing stock	56,070	97,360	(97,360)	-	56,070
	73,320	259,425	(261,675)	-	71,070
PRIOR YEAR	Balance				Balance
	1 April	Income	Expenditure	Transfer	31 March
	2016				2017
	£	£	£	£	£
Dressing stock	56,070	112,140	(112,140)	-	56,070
Esmee Fairbairn	-	30,000	(30,000)	-	-
Rank Foundation	20,000	23,000	(25,750)	-	17,250
Roll out of new centres/Other	51,711	13,328	(65,039)	-	-
	127,781	178,468	(232,929)	-	73,320

Purpose of Restricted Funds

Nesta	To develop and broaden the Smart Works reach through a licensing approach
Esmée Fairbairn	To engage 'harder to reach' beneficiaries in London
Rank Foundation	To fund the activity of the Head of Regional Development
Dressing stock	Fair value of the donated dressing stock
Other	Includes income for 'Spin for Smart Works' received on behalf of our licensees

16. DESIGNATED FUNDS

CURRENT YEAR	Balance				Balance
	1 April	Income	Expenditure	Transfer	31 March
	2017				2018
	£	£	£	£	£
Designated capital fund	3,505	-	(1,797)	-	1,708
	3,505	-	(1,797)	-	1,708

PRIOR YEAR	Balance				Balance
	1 April	Income	Expenditure	Transfer	31 March
	2017				2018
	£	£	£	£	£
Designated expansion fund	104,582	-	(104,582)	-	-
Designated future years' expenditure	50,000	-	-	(50,000)	-
Designated capital fund	5,624	-	(2,119)	-	3,505
	160,206	-	(106,701)	(50,000)	3,505

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

CURRENT YEAR	Restricted	Unrestricted	Total
	Funds	Funds	Funds
	2018	2018	2018
	£	£	£
Tangible fixed assets	-	1,708	1,708
Current assets	225,522	796,479	1,022,001
Creditors due within one year	(154,452)	(230,758)	(385,210)
	71,070	567,429	638,499

PRIOR YEAR	Restricted	Unrestricted	Total
	Funds	Funds	Funds
	2017	2017	2017
	£	£	£
Tangible fixed assets	-	3,505	3,505
Current assets	73,320	644,432	717,752
Creditors due within one year	-	(140,537)	(140,537)
	73,320	507,400	580,720

18. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund and amounted to £1,982 (2017: £1,467). Contributions totaling £311 (2017 : £295) were payable to the fund at the balance sheet date and are included in creditors.

19. OTHER FINANCIAL COMMITMENTS

	Land and buildings	
	2018	2017
	£	£
At the year end the company had annual commitments under non-cancellable operating leases as set out below:		
Operating leases		
within one year	53,775	53,775
within two to five years	120,994	161,325
	174,769	215,100

20. MEMBERS LIABILITIES

The company is limited by guarantee. Every member of the company undertakes to contribute to the assets of the company, in the event of the same being wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up such amount as may be required not exceeding £1. At the balance sheet date there were 9 members.

21. RELATED PARTY TRANSACTIONS

During the year the charity made the following payments to its subsidiary charities:	2018	2017
	£	£
Smart Works Greater Manchester	27,662	10,114
Smart Works Reading	19,155	3,038
Smart Works Birmingham	16,961	36,176
Smart Works Newcastle	45,010	-

No amounts were outstanding at the year end.

During the year the charity made a payment of £10,364 to Smart Works Edinburgh a charity which also operates under a license to operate but is not controlled by Smart Works Charity.

Reference and administrative information

Registered name	Smart Works Charity
Charity registration number	1080609
Company registration number	03870671
Corporate status	The Company is limited by guarantee
Registered office	Unit 9, 83-93 Shepperton Road London, N1 3DF
Telephone	020 7288 1770
Website	www.smartworks.org.uk
Current Trustees	Juliet Hughes-Hallett (Chair) Joanna Hunter (Honorary Treasurer) Mona Barnes Tiffanie Darke - resigned April 2018 Rebecca Eastmond Caroline Hamblett - resigned April 2018 Fiona Holmes Amelia Mendoza Margaret Darling
Company Secretary	Mona Barnes
Patrons	Betty Jackson Jennifer Saunders Jane Shepherdson Emma Barnett
Independent Examiners	Helena Wilkinson Price Bailey LLP Causeway House 1 Dane Street Bishop's Stortford CM23 3BT
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent, ME19 4JQ



www.smartworks.org.uk

 [@smartworkscharity](https://www.instagram.com/smartworkscharity)

 [@smartworksHQ](https://www.twitter.com/smartworksHQ)

Charity number 1080609